

Republican Leader Brady
September 25, 2020
Select Revenue Measures Subcommittee Hearing on
“Restaurants in America During the COVID 19 Pandemic”

Thank you, Mr. Chairman and Ranking Member Smith.

Our Committee has the constitutional duty to use our tax code to help our workers, small businesses, and country prosper.

And as we continue to apply maximum pressure on the novel coronavirus, we have the opportunity to use our tax code as a toolbox to help our job creators rebuild.

Right now, restaurant workers need relief and the President’s work to defer payroll taxes will help. All of our essential workers who have kept this country running through the pandemic and those workers who have continued to feed us and our families deserve to keep more of their hard-earned wages.

Through the *Support for Workers, Families, and Social Security Act*, we can go further and forgive the payroll taxes deferred by President Trump to help working families, many of whom now rely on a single paycheck.

Democrats forgave these payroll taxes twice for President Obama; there should be no excuse not to do so again under President Trump.

We’re not through this pandemic yet. This bill will help our restaurants by boosting local economies, increasing certainty for businesses, and safeguarding Social Security.

We’ve already seen the benefit of allowing Main Street businesses more flexibility to take care of their employees – front line and middle-class workers benefit the most.

New data from the IRS shows that last year, nearly two-thirds of the benefits of the historic pass-through deduction from the *Tax Cuts and Jobs Act* went to Main Street businesses earning less than \$1,000,000.

A tax break that Democrats tried to paint as a giveaway to the rich proved to be just the opposite. It led to record high Main Street optimism, the lowest level of unemployment in a generation, and rising wages for Black, Hispanic, and Asian-American workers.

COVID-19 came to our shores, and these small businesses were forced to shut down through no fault of their own – including our restaurants. The entrepreneurs who feed our towns, sponsor our children’s softball teams, and serve our communities with their unwavering philanthropy were hit hard.

But Congress came together with President Trump in record speed to pass four different relief packages, including the successful Paycheck Protection Program. And now is not the time to

renege on our bipartisan efforts to provide these businesses with the liquidity they need so they can make payroll and keep the lights on.

PPP alone saved countless jobs and prevented thousands of restaurants from having to put a “For Sale” sign on the front door.

But our cooks and servers told us Congress’s job shouldn’t be done yet. They want to keep their restaurants safe, so they don’t become incubators of the virus; they want to put their workers’ health and safety first to help flatten the curve.

States and cities nationwide still have lockdown orders in place. This Subcommittee should help our restaurants and other distressed industries continue to thrive with pro-growth tax policies.

But my fear is we are going to hear from Democrats today for calls for tax hikes and new mandates.

The Congressional Budget Office determined that a minimum wage hike of the magnitude that our Democratic colleagues are seeking would cause the loss of nearly 4 million jobs. Other studies show minimum wage hikes lead to fewer employment opportunities for young people.

Restaurants often offer young people their first shot at a job, yet the policies the other party is seeking would destroy millions of existing jobs and cut off future work opportunities for too many young Americans.

We know what causes wages to rise: a competitive and growing economy.

Following tax reform, middle class incomes reached a record high. Wages were rising faster than at any point under the Obama administration. Poverty was plummeting. And we had the most competitive jobs market in 90 years.

We should be embracing the same low-tax policies that led to that economic expansion. That begins by making the tax cuts permanent from the President’s tax law.

We should be passing the Healthy Workplace Tax Credit introduced by Rep. Tom Rice and the Workplace Testing Tax Credit introduced by Rep. David Schweikert. These measures will help our small businesses safely and responsibly reopen while protecting the health and well-being of workers.

We have a tax code today that is built for growth. And we have restaurants around the country who want to keep their doors open, keep their workers paid, and keep our bellies full. Let’s use that tax code to help them weather this storm so that together we continue rebuilding our great American economy.